

CITY OF MUSKEGON
DOWNTOWN DEVELOPMENT AUTHORITY (DDA) /
BROWNFIELD REDEVELOPMENT AUTHORITY (BRA)
SPECIAL MEETING
MINUTES

October 8, 2018

Chairperson M. Bottomley called the meeting to order at 2:05 PM and roll was taken.

MEMBERS PRESENT: John Riegler, Frank Peterson, Ron Pesch, Jeanette Moore, Martha Bottomley, Paul Edbrooke Don Kalisz

MEMBERS ABSENT: Mike Kleaveland, excused; Mike Johnson, excused; Jay Wallace Jr, excused; Heidi Sytsema, excused

STAFF PRESENT: Mike Franzak, Planning Director; Beth Lewis, Finance Director; Ken Grant, Finance Dept/Income Tax; Sarah Petersen, Treasurer; Diane Renkenberger, Administrative Assistant

OTHERS PRESENT: None

MINUTES

A motion to approve the Special Meeting Minutes of May 17, 2018 was made by J. Riegler, supported by R. Pesch and unanimously approved.

NEW BUSINESS

M. Bottomley requested that the downtown parking structure be discussed first.

Downtown parking structure – F. Peterson discussed the possibility of building a parking ramp on the currently-vacant parking lot on Western Ave across from the Walker Arena. The owner of the lot was ready to build but had been asked to hold off temporarily while the City explored the option of including a parking structure in the new development. F. Peterson had prepared a pro forma showing estimated revenue and expenses for the proposed ramp, which was reviewed by board members. The plan was for a mixed-use development incorporating a parking ramp, commercial and residential uses. F. Peterson stated that, as the Amazon was moving toward a market-rate building, they were finding that they needed more parking. In addition, the downtown area was growing, with other buildings in the planning stages or under construction that may also require additional parking downtown once they were occupied. Staff and board members discussed the financial information on the pro forma and whether there was a need for more downtown parking. R. Pesch asked when the downtown convention center would be completed and if it included parking. F. Peterson stated that the center should be completed in 2021 but it included no new parking. R. Pesch asked what the cost of a parking space would be in a ramp. F. Peterson stated that at 250 spaces, the cost would be almost \$50,000 per space. The cost was higher due to the mixed-use nature of the building and having a parking ramp incorporated with residential and commercial uses. He also pointed out that, if a ramp was built, on-street parking could no longer be free in order for the ramp to be successful. R. Pesch asked if parking meters would be installed. F. Peterson discussed different types of pay-to-park options including a cell phone app. He stated that the time frame was about two years, whether talking about paid on-street parking or a parking ramp. R. Pesch pointed out issues with the last downtown parking ramp and asked how a new ramp would be different. F. Peterson

stated that the downtown was now more densely populated, the new ramp would be closer to Heritage Landing to accommodate event parking, and there were more businesses and residences downtown. D. Kalisz added that there had been large surface parking lots around the mall, which had detracted from ramp traffic. D. Kalisz asked if there was any data that showed a need for more parking. F. Peterson guessed that current data would show that there was enough parking now, but it didn't take into consideration multiple projects in the works that were not yet complete. J. Riegler asked if there was a backup plan if a parking ramp was not built as part of this project. F. Peterson stated that the City would hold off on building a ramp in that case. The interest in building it now was due to the availability of this central location--to be successful, the ramp needed to be close enough to capitalize on event traffic, be convenient for downtown traffic, and have daytime business and nighttime residential traffic. P. Edbrooke suggested that the City try paid parking downtown first, to gauge public reaction before building a ramp. M. Bottomley asked if the board needed to take any action on the issue. F. Peterson stated that it wasn't necessary to take a vote; he was comfortable that he heard enough from the board to be able to convey their opinion to Mr. Essex, that the board was generally in favor of a parking ramp but that it was too early at this time.

Restructuring of DDA staff and budget – F. Peterson discussed his vision for moving the downtown forward over short-term (the next 1-5 years) and the long-term (years 10 and beyond). He stated that he would like to see a more robust DDA take a leadership role in downtown development, as that board was appointed by the City Commission. He presented 3 issues to the board for discussion: 1). Who will lead the charge downtown? Which organization? Which people? 2) What will our funding streams look like?, and 3) What are our short and long-term goals for the downtown? He stated that staff had prepared some projections and recommendations for those three areas. Currently there were five distinct organizations directly involved with downtown: City of Muskegon, Downtown Muskegon Development Corporation (DMDC), Downtown Development Authority (DDA), Downtown Muskegon Now (DMN), and the Downtown Business Improvement District (BID). F. Peterson believed that a more streamlined approach would be more effective/efficient, and recommended the DDA and the BID take the leadership role. He anticipated that the City would have a direct impact going forward as well, and would provide staffing and administrative support. The DDA district boundary would be unchanged, but the BID boundary could be adjusted to include only the labor-intensive areas. He envisioned the DDA managing the BID's resources, creating one large DDA budget to undertake items that the DDA and BID boards mutually prioritized. F. Peterson discussed ideas for staffing the revamped organization(s), including the use of current city staff, DMN personnel, and new hires. He stated that some of the positions could be shared positions with other city departments. D. Kalisz stated that the DMN board was extremely helpful and knowledgeable about the downtown and he was concerned about losing that resource. F. Peterson stated that he could look into the possibility of adding members to the DDA board, and there was already some overlap of personnel between DMN and the DDA. J. Riegler asked what would become of the DMDC. F. Peterson had discussed some ideas with the DMDC, who had indicated that they were ready to get out of the business.

F. Peterson had prepared a draft budget based on a preliminary understanding of the needs of the downtown over the next few years, which he discussed with the board. He included issues such as walkability, streetscape, landscaping, snow removal, façade investments, development, park space, and office space for DDA staff. Parking and debt payment were also addressed. J. Riegler stated that the BID had lost some funds due to successful tax tribunal appeals. F. Peterson stated that that DDA had the option to levy up to 2 mils, and staff was looking to diversify revenue as much as possible to help reduce the impact of appeals. Long term goals for the downtown were discussed. The proposed budget for the next 5-6 years allowed for significant investment, as well as flexibility in terms of how dollars were invested to meet the vision of the board. Staff recommended that the DDA hold a goal-setting session in the near future to discuss staff recommendations and board members' individual

ideas/thoughts. Other downtown stakeholders could be involved, and the board could plan field trips to other communities to learn about what was working throughout the region. He hoped to accomplish this by spring 2019 so a final budget could be secured for FY 2018-19 and presented to the City Commission. D. Kalisz asked about the costs of DMN bringing on more staff. F. Peterson stated that DMN may be able to do it cheaper, but a more robust DDA could have a more far-reaching impact. Staff and board members continued to discuss staffing options. F. Peterson suggested that the DDA may want to return to a regular monthly meeting schedule.

F. Peterson was excused from the meeting at 3:45 PM.

DDA members were receptive to holding a goal-setting session in the near future. D. Kalisz stated that he would like to hear more information on a possible merger of the various downtown organizations. He asked M. Franzak to find out how many positions a DDA board was able to have. D. Renkenberger stated that she would contact board members and staff to set up a date and time for the goal-setting session.

OLD BUSINESS

None

OTHER

R. Pesch stated that he would like to discuss the sale of the historic Hackley Administration Building downtown and if/how the DDA could be involved in that process.

There being no further business, the meeting was adjourned at 3:56 PM.